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SUBJECT: ROMANIA GENERAL STRIKE: POSTURING OR PRELUDE?

REF: Bucharest 573

Sensitive but Unclassified; not for Internet distribution.

¶1. (SBU) In what the media and labor unions billed as the largest public sector strike in the post-communist era, some 800,000 government workers across Romania stayed home on October 5 to protest the unitary salary law which the Government of Romania (GOR) forced through Parliament in September (reftel). While most essential services remained unaffected -- transportation and public safety workers reported to their jobs -- there were some particular disruptions in the education and health care sectors. After months of threatening collective action, it is notable that the notoriously fractious unions were finally able to act in concert, no doubt encouraged by the recent judges' strike which paralyzed the court system and forced the GOR to bargain. Still, media analysts agree that the one-day walkout had little effect beyond mere posturing. The real test will be whether unions can make good on their verbal threats of an open-ended strike if the GOR still refuses to modify the legislation.

¶2. (SBU) While the strike produced few visible disruptions (rush-hour traffic in Bucharest actually seemed to flow better than normal), there were reports of problems in the health care sector, with many hospitals essentially closed for non-emergency services. Many schools were shuttered across Romania, with some school districts arranging alternate activities for pupils. Some teachers did report to work in order to supervise students but chose not to teach any classes. Many police officers wore white armbands in a sign of solidarity with the protesters, but reported to work after a recent court decision held that they had no legal right to strike. Public sector workers are promising a much more visible show of force on October 7, with large protest marches converging on the Government Palace that will "shut down" central Bucharest, according to union leaders. Unions threaten to call an open-ended general strike if the GOR remains intransigent.

¶3. (SBU) The unitary salary law, a key component of Romania's agreement with the IMF, has been a bitter pill for public sector workers, many of whom will see future compensation curtailed through the elimination of bonuses and the standardization of pay scales across the government. The bill was accompanied by legislation which consolidates many GOR agencies and cuts positions. Workers are also hopping mad at the GOR's plan to impose a ten-day unpaid furlough this fall to trim personnel costs. Despite these grievances, there appears to be little public sympathy for government workers demanding higher wages even as the country is engulfed in a severe recession. The one-day strike failed to cow the current minority government of Prime Minister Emil Boc, with the PM promising nothing more than "continued dialogue" with union leaders.

¶4. (SBU) Comment. While the news that 800,000 workers went on

strike certainly made headlines, the walkout was at worst a minor inconvenience for most citizens. President Traian Basescu, speaking at an American Chamber of Commerce event, was dismissive of government workers' complaints, remarking that it was "good that everyone is unhappy because that means this is a fair law." Even Basescu's principal challenger in the presidential race, the PSD's Mircea Geoana, stated that Romania has no option but to stick to the program agreed with the IMF. With no top political figures championing their cause, public sector unions must now decide how much harder they want to push. So far this year they have demonstrated little ability to agree on, and then impose, a continuing strike in key sectors of public services. It is hard to see anything else, however, that would substantially sway public opinion or force the GOR to backtrack on its IMF commitments. Indeed, in a time-honored Romanian tactic of hiding behind the skirts of external actors, the GOR is repeatedly invoking its IMF obligations in defending the pain inflicted on the public sector. End Comment.

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